

# Household-Beneficial Settlement

## Frequently Asked Questions

### ***1. What is the purpose of this Settlement?***

This Settlement was entered on December 16, 2002 and was a result of investigations by the States and the District of Columbia into allegations of unfair and deceptive mortgage lending practices by Household and Beneficial. This Settlement will provide partial relief to borrowers in connection with real estate secured loans obtained from Household or Beneficial.

### ***2. What makes a consumer eligible to participate?***

You must have obtained a real estate secured loan (i.e. a mortgage loan or home equity loan) from a Household or Beneficial retail-lending branch between January 1, 1999 and September 30, 2002. This includes loans that were opened during this time period regardless of whether or not the loan is currently open or closed.

### ***3. Who determines eligibility to participate?***

Each State has set eligibility standards for its borrowers who obtained real estate secured loans (i.e. mortgage loans or home equity loans) in that State. Any borrowers who receive a Release form have already been determined by their State to be eligible to participate.

### ***4. What is the total Settlement fund?***

The total Settlement fund is \$484,000,000. It has been divided among the 50 States and the District of Columbia based on the total dollar amount of the real estate secured loans made in each State. Each State will take its share of the Settlement fund and distribute it to that State's eligible borrowers. New Hampshire's portion of the settlement is \$3,416,490.

### ***5. Are there any components of the Settlement affecting borrowers, other than monetary relief?***

Yes, Household and Beneficial have agreed to change their business practices. As part of these changes, all prepayment penalty provisions have been modified. Any prepayment penalty provision now existing in any Household or Beneficial real estate secured loan made on or after January 1, 1999 will now be in effect only for the first 24 months of the real estate secured loan regardless of what the loan documents say. Household and Beneficial notified borrowers of changes to the prepayment penalty provision in their loans in February 2003.

### ***6. What is the deadline for returning my Release?***

The deadline for returning a signed Release Form is October 14, 2003. Forms mailed after this date may not be accepted.

**7. What do you think of the Settlement?**

I cannot offer my opinion.

**8. Can you give me advice on whether I should sign the Release?**

No, we cannot give legal or other advice. If you would like advice, please consult a private attorney of your choosing.

**9. What if I don't want to participate in this Settlement?**

Simply do not complete the Release form. Nothing else is required. By completing a Release Form, you are agreeing to participate in the Settlement. If you do not return a signed Release form, you have not agreed to participate and will automatically be excluded from the Settlement and will not receive a Settlement payment.

**10. How do I obtain more information on this Settlement?**

You may go to the Settlement Administrator's website at [www.household-beneficial-settlement.com](http://www.household-beneficial-settlement.com) to obtain general information about the settlement, and also link for more information about your State.

**11. What do I need to do to participate in the Settlement?**

Borrowers who are eligible to participate will receive a letter and Release form from their State Official(s). As explained in the letter, borrowers need only fill out, sign and return the Release form in the postage pre-paid envelope provided by October 14, 2003 in order to participate. Borrowers should retain the "borrower copy" of the Release for their own records. The letter describes what to do if there is more than one borrower listed on a given loan.

**12. How will I know if my Release form has been received?**

You may contact the Settlement Administrator at 1-888-780-2156 or the Settlement Administrator's website, [www.household-beneficial-settlement.com](http://www.household-beneficial-settlement.com) to check on the status of your Release form. Once you reach the website, there is an option to contact the Administrator via email. The Settlement Administrator will receive your email and respond as quickly as possible (by email or phone). Please wait one week from the time you return your Release before contacting the Settlement Administrator to see if your Release has been received.

The Settlement Administrator will contact you if there are any questions or problems with your Release form.

**13. I lost my Release form. Can you mail me another one?**

Yes, if you were part of the original mailing, we can arrange to have another letter and Release form sent to you.

You may contact the Settlement Administrator at 1-888-780-2156 or the Settlement Administrator's website, [www.household-beneficial-settlement.com](http://www.household-beneficial-settlement.com) to request another Release packet. Once you reach the website, there is an option to contact the Administrator via email. You can request another Release packet by emailing the Settlement Administrator. After receiving your e-mail, the Settlement Administrator will confirm that you are eligible to participate in the Settlement and then will send you another Release packet as soon as possible.

**14. How much money will I receive if I participate in the Settlement?**

The *minimum* payment you are eligible for is on the Release Form you received with the notice letter. You may get more than this amount, depending on the number of borrowers who decide to participate in the Settlement, but you will not get less than this minimum amount.

**15. How was this amount calculated?**

Both the Bank Commissioner and Attorney General approved the restitution plan for New Hampshire's consumers identified in the Household Settlement. The plan calls for the distribution of New Hampshire's portion of the settlement fund to be based upon the individual borrowers' initial loan balance as a percentage of totals of all initial loan balances for those individuals who have elected to participate in the settlement.

**16. If my loan had a co-borrower do we both need to sign the Release form?**

Yes, all borrowers who signed the original loan documents must sign the Release form in order to receive payment. If there is more than one borrower on the loan, the Release form will not be valid with only one signature. If there is more than one borrower, payment cannot be made to one or another of the co-borrowers, but must be made to both.

**17. I had a co-borrower but cannot get a signature (due to divorce, estrangement, etc.), what are my options?**

If you've made every effort to obtain the co-borrower's signature, but cannot get it, you should sign and send in the Release form with a letter attached explaining the circumstances as to why the co-borrower signature cannot be completed. The States and Household or Beneficial will review your submission, and you will be notified of their decision. If your submission is accepted, payment will be made to you alone (without the other borrower's name appearing on the check).

**18. I am the guardian or executor of the estate of (claimant name) and he/she was sent a Release form for this Settlement. How can the form be completed?**

Sign and date a letter explaining the circumstances and attach this letter to the Release form, along with *photocopies* (please *do not* send in original legal documents) of any other legal documentation showing you as the guardian or executor of the estate of (claimant name). Return the letter, copies of documents and Release form to the Administrator, along with the address where payment should be sent, before October 14, 2003. The States and Household or Beneficial will review your submission, and you will be notified of their decision. If your submission is accepted, payment will be made payable to "The Estate of (claimant name)."

**19. Why did I receive more than one Release packet?**

Borrowers who have more than one real estate secured loan with Household or Beneficial, but obtained one loan individually and the other(s) with a co-borrower, or had different co-borrowers on the loans (for example, a spouse was the co-borrower on one loan and a brother or sister was the co-borrower on a second loan), will receive separate Release Packets for each loan. These borrowers must sign and return each Release form included in each separate Release Packet in order to receive a payment on all covered loans. If there is a problem with getting a co-borrower's signature, please follow the procedure set forth in Question 18 above. Please make sure you keep the copy of each Release form that has been provided.

**20. I have not received my Release packet from my State Official(s), but I think I may be eligible.**

The Release packet from your State Official(s) is due to be mailed to eligible borrowers on August 15, 2003. If you are calling before August 30, 2003, please note that your Release packet may still be on its way to you. Please call back after August 30, 2003 if you still have not received a packet.

**21. When will I receive my payment?**

Remember, if you want to receive payment, you must mail your signed Release form by October 14, 2003. Because this Settlement involves hundreds of thousands of borrowers across the country, it will take some time for the Settlement Administrator to process all Release forms. If everything goes as planned, we anticipate that payments will be mailed by the end of December 2003.

**22. Will my information be kept confidential?**

Yes, the Settlement Administrator will protect the privacy of all information provided to us by you or Household or Beneficial. This information will be used only to administer this Settlement.

**23. What if my loan is not a real estate loan? Can I still be included in this Settlement?**

The Settlement only covers real estate secured loans (i.e. mortgage loans or home equity loans) from a Household or Beneficial retail-lending branch that were entered into between January 1, 1999 and September 30, 2002. This includes loans that were opened during this time period regardless of whether or not the loan is currently open or closed.

**24. I have a real estate loan that I opened on (any date prior to or after the date covered by the Settlement agreement). Am I included in this Settlement?**

No, the Settlement only covers real estate secured loans (i.e. mortgage loans or home equity loans) from a Household or Beneficial retail-lending branch that were entered into between January 1, 1999 and September 30, 2002. This includes loans that were opened during this time period regardless of whether or not the loan is currently open or closed.

**25. Can I take the signed Release form to my Household (or Beneficial) Branch Office or State Official's Office?**

No, the signed Release form must be returned to the Settlement Administrator at:

**Household-Beneficial Settlement Administrator  
PO Box 3775  
Portland, Oregon 97208-3775**

**26. Can I fax my Release form to my Household (or Beneficial) Branch Office or State Official's Office?**

No, the Settlement Administrator must receive an original signature; therefore you have to return the form by mail. The original and signed Release form must be returned to the Settlement Administrator at:

**Household-Beneficial Settlement Administrator  
PO Box 3775  
Portland, Oregon 97208-3775**

**27. I have already paid off my Household (or Beneficial) real estate secured loan. Am I still included in this Settlement?**

Yes, customers whose loans have already been paid off are eligible to participate in the Settlement provided that the loans were real estate secured loans (i.e. mortgage loans or home equity loans) from a Household or Beneficial retail-lending branch that were entered into between January 1, 1999 and September 30, 2002. This includes loans that were opened during this time period regardless of whether or not the loan is currently open or closed.

**28. My real estate secured loan is open and I'm still making payments to Household (or Beneficial). Am I still included in this Settlement?**

Yes, customers whose loans are still open may be eligible to participate in the Settlement provided that the loans were real estate secured loans (i.e. mortgage loans or home equity loans) received from Household or Beneficial that were entered into between January 1, 1999 through September 30, 2002. This includes loans that were opened during this time period regardless of whether or not the loan is currently open or closed.

**29. If I sign this Release form, does this mean that I don't have to continue to make payments on my loan?**

No, this Settlement does not affect the status of your loan or release you from any payment obligation for any open loan with Household or Beneficial. You must continue to make your loan payments in accordance with the terms of the loan agreement.

**30. I want to payoff my Household (or Beneficial) loan. How can I find out what my payoff balance is?**

To obtain a payoff statement from Household (or Beneficial) you may contact Household's (or Beneficial's) Customer Service Department or visit Household's website at [www.householdfinance.com](http://www.householdfinance.com) or [www.beneficial.com](http://www.beneficial.com).

**31. I have other questions regarding my Household (or Beneficial) loan. Who can I contact?**

You may contact Household's (or Beneficial's) Customer Service Department or visit Household's website at [www.householdfinance.com](http://www.householdfinance.com) or Beneficial's website at [www.beneficial.com](http://www.beneficial.com).

**32. What if my home is in foreclosure or has gone through foreclosure?**

If you receive a Release form, you are eligible to receive a payment under the Settlement. However, participating in the Settlement and receiving a payment will NOT stop or undo a foreclosure. If you choose to participate in the Settlement, you must sign and return the Release form. In doing so, you give up various legal rights (listed on the Release form), but you do not give up your right to raise any rights and defenses in a foreclosure action. You are advised to contact a private attorney about your situation.

**33. Do I have to pay taxes on the settlement payment I will be receiving?**

Some consumers may receive a 1099 form with their settlement payment. However, whether any payment that you receive under this settlement is taxable will depend on several factors. Because of this, we are not able to give any individual tax advice. If you have tax questions, you should contact a local tax preparer or advisor.